

SALES AND USE TAX EXEMPTIONS FOR MANUFACTURING INPUTS BY STATE

✓ = YES	Column Not Applicable	Blank Cell = No pertinent statutes located	X= Limited Exemption	? = Statute unclear on this type of exemption
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State	Sales and Use Tax	General Exemption	Machinery/ Equipment Exempt	Replacement Parts Exempt	Materials Exempt		Limitations
					Processing Materials/ Consumables	Ingredients/ Component Parts	
Alabama	✓	✓			✓		Processing materials/consumables exemption applies to coal or coke used in manufacturing tangible personal property
Alaska							
Arizona	✓	✓	✓		✓	✓	
Arkansas	✓	✓	✓	✓	✓		
California	✓	✓	✓	✓	✓	?	No exemption for consumables with less than one-year economic life
Colorado	✓	✓	✓				\$500 minimum purchase price for machinery to be exempt
Connecticut	✓	✓	✓	✓	✓	✓	
Delaware							
Florida	✓	Limited	X				Machinery exemption that applies to new or expanding businesses (some businesses exempted)
Georgia	✓	✓	✓	✓	?		
Hawaii	✓						
Idaho	✓	✓	✓		✓	✓	
Illinois	✓	✓	✓	✓			

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Indiana	✓	✓	✓				
Iowa	✓	✓				✓	
Kansas	✓	✓	✓		✓	✓	
Kentucky	✓	✓	✓		✓	✓	Machinery exemption applies to hand tools and tools attached to a machine that a useful life of less than one year Processing materials exemption applies to tangible personal property that has a useful life of less than one year
Louisiana	✓						Political subdivisions are authorized to give exemptions, but it is not mandatory that they do so—there is no statewide exemption
Maine	✓	✓	✓		✓	✓	Exemptions apply to contracts with the federal government only
Maryland	✓	✓	✓		✓		
Massachusetts	✓	✓	✓	✓	?	✓	
Michigan	✓	?	?		?	?	Exemption for tangible personal property used in a qualified business activity of a purchaser

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					Processing Materials/ Consumables	Ingredients/ Component Parts	
Minnesota	✓	✓	✓	✓	✓	✓	
Mississippi	✓						
Missouri	✓	✓	✓	✓	✓	✓	
Montana							
Nebraska	✓	✓	✓	✓			
Nevada	✓						
New Hampshire							
New Jersey	✓	✓	✓				
New Mexico	✓						
New York	✓	✓	✓	?	✓		Machinery exemption excludes parts with economic life of one year or less and tools or supplies for the machinery
North Carolina	✓	✓	X			✓	Machinery exemption for logging machinery used in commercial logging business
North Dakota	✓	Limited	X	X			Machinery and parts exemptions that only apply to new and expanding manufacturing plants
Ohio	✓	✓				✓	
Oklahoma	✓	✓	✓			✓	
Oregon							

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					Processing Materials/ Consumables	Ingredients/ Component Parts	
Pennsylvania	✓	✓	✓				Machinery exemption that applies to mold equipment only
Rhode Island	✓	✓	✓	✓	✓	✓	
South Carolina	✓	✓	✓	✓	✓		
South Dakota	✓	✓				✓	
Tennessee	✓	✓			✓	✓	
Texas	✓	✓	✓		✓	✓	
Utah	✓	✓	✓	✓		✓	Machinery and parts exemptions include machinery/equipment or parts with an economic life of three or more years
Vermont	✓	✓	✓		✓	✓	
Virginia	✓	✓	✓	✓	✓	✓	
Washington	✓	✓	✓	✓			Exemption does not apply to property with a useful life of less than one year
West Virginia	✓	✓	✓		✓		Exemption available as refund
Wisconsin	✓	✓	✓	✓	✓	✓	
Wyoming	✓	✓	✓		✓	✓	Machinery exemption expires in 2018
TOTAL	45	37	31	15	22	22	